

House Members Introduce Small Business Clean Energy Financing Act

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Matsui Legislation Will Provide Clean Energy Small Businesses with Greater Access to Capital

WASHINGTON, DC – Today, Congresswoman Doris Matsui (CA-05), a Member of the House Energy and Commerce Committee, introduced the Small Business Clean Energy Financing Act, legislation which will assist small businesses in the clean energy sector to access financing. Representative Matsui was joined by several original co-sponsors of her legislation, including Representatives Melissa Bean (IL-08), Lois Capps (CA-23), Mike Michaud (ME-02), Larry Kissell (NC-08), Jay Inslee (WA-01), George Miller (CA-07), and Bobby Rush (IL-01).

“I have seen how hard it has become in our current economic climate for small businesses of all kinds to get the loans they need to keep operating and expanding, and small businesses in the clean energy sector are having an especially difficult time accessing necessary capital,” Congresswoman Doris Matsui said. “It is vital that we do not let the recession set us back even further in our clean energy goals, and that we assist these small businesses with getting the support they need to bring our nation to the forefront of clean energy technologies. The innovation that can come from the clean energy sector is essential to our country’s economic expansion, environmental protection, and national security. The time to act on our clean energy future is now.”

The Small Business Administration (SBA) provided roughly \$630 million in 7(a) loans to clean energy companies between 2006 and 2009. In comparison, the agency averages \$13 billion annually for the 7(a) program. While the Recovery Act afforded large loan guarantees to advance new energy technologies, these opportunities were not generally available to smaller companies or new enterprises because of high extremely high application fees up \$75,000 per year making it financially difficult for small clean energy companies to participate.

The Matsui legislation will help fill that gap by directing the SBA to establish a clean energy program within the 7(a) loan program in order to bring greater attention to the gap in capital accessibility for this sector. Additionally, the House passed today, which raises the 7(a) loan limit from \$1.5 million to \$4.5 million through December 31, 2010. Subsequently, H.R. 5297 will permanently raise the 7 (a) loan limits to \$3.75 million, effective January 1, 2011. The Matsui legislation would not authorize new funds for the clean energy sector, but instead allow the SBA to utilize its’ existing budget authority to address the needs of clean energy businesses.

“Small businesses are the engines of innovation, with up to 13 times more patents per employee than large firms,” Representative Melissa Bean said. “We need to promote small business growth in the clean energy sector, so the U.S. can lead in clean energy technology development, manufacturing, and deployment. This initiative is particularly timely, given today’s consideration of H.R. 5297, the Small Business Jobs Act, which will raise SBA 7(a) loan limits to enhance capital access for all small businesses.”

“The creation of a new loan program targeted to give green businesses the capital that they need to expand would provide a much needed boost to our economy,” said Congresswoman Lois Capps, a member of the House Energy and Commerce Committee. “I have seen firsthand how the green businesses in my district are ready to grow if they just have the tools. The federal government can continue to be an effective partner in jumpstarting the green economy, and this legislation is a great example of how we can help.”

“For our country to truly recover, our innovative, clean energy companies must have ready access to the tools they need to succeed,” said Representative Michaud, a member of the House Small Business Committee. “Making sure these small businesses have the resources to grow and create jobs provides our country with an economic boost, but it also helps increase our energy independence and the environmental health of our communities.”

Additional original co-sponsors of the Small Business Clean Energy Financing Act include Representatives Earl Blumenauer (OR-03), Gerald Connolly (VA-11), Kathleen Dahlkemper (PA-03), Bill Foster (IL-14), Linda Sanchez (CA-39), Maurice Hinchey (NY-22), William Lacy Clay (MO-01), Chellie Pingree (ME-01), and Paul Tonko (NY-21).

A copy of the legislation is available by [clicking here](#).

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